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# **Project Management Office**

## **Charter for Capital Systems Improvement Project**

Revision # 1.4

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Office of Financial Management

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## Revision History

<u>Revision</u>	<u>Date</u>	<u>Author</u>	<u>Description of change</u>
1.0	3/16/2006	Debbie Hoxit	First Draft
1.1	5/12/2006	Debbie Hoxit	Modifications to address comments
1.2	5/30/2006	Vicki Rummig	Project management updates
1.3	6/6/2006	Vicki Rummig	Updates per Allen Schmidt related to setting expectations and OFM architecture requirements.
1.4	7/5/2006	Vicki Rummig	Updates to timeline and scope per CSI Leaders meeting.

## Project Statement

A capital budget system will be developed that provides information and tools necessary for capital budget decision-making for agencies, Office of Financial Management (OFM) and the legislature. This charter records the commitment of the listed parties to:

- Participate in identification of requirements,
- Analyze and design a capital budget system, and
- Implement a system that assists all the stakeholders in capital budget decision-making.

The system will ultimately consist of: (1) all necessary data OFM, the legislature, and agencies need to make budget decisions; (2) consistent data that can be shared between all stakeholders (ability to pass data back and forth); (3) tools to assist participants with their tasks without re-keying data; and (4) tools to assist in the analysis of data. All these must be addressed in order for this project to be considered a success.

## Business Drivers/Background

In February 2005, the Joint Legislative Audit and Review Committee (JLARC) issued a performance audit report on the state's capital budget process. The report recommended that the OFM develop a plan to address shortcomings in the capital budget process. Specifically, we were asked to:

- Align resources to program workload;
- Identify and institutionalize procedures and best practices;
- Create easily accessible, reliable information systems;
- Develop statewide performance measures for all capital projects; and
- Evaluate capital projects earlier in the planning phase.

OFM established an advisory group and project team to evaluate the capital processes. A few findings included a need to:

- Take a more comprehensive approach to the budget development and implementation cycle, by eliminating low-value tasks and helping all participants focus on the most important issues.
- Improve tools for the budget processes to reduce the burden of administrative tasks and increase time available for analysis and decision-making.
- Ensure better connections between the operating and capital budgets.
- Improve the guidance available for everyone involved in the capital budget process.
- Make better use of information about facility needs and conditions for budget development and monitoring.

**Project team:**

- Steve Masse
- Craig Olson
- Debbie Hoxit

**Advisory Group:**

- Brian Sims, Senate Ways and Means Committee
- Susan Howson, House Capital Budget Committee
- Mike Roberts and Tom Saelid, OFM Capital Budget
- Lynne McGuire, OFM Operating Budget
- Wendy Jarrett, OFM Accounting
- Edanna Ericson, General Administration
- Tom Henderson, State Board for Community and Technical Colleges
- Jim Reed, Higher Education Coordinating Board

The Capital Budget Review project team and advisory group identified three areas needing system improvements: a capital budget system, a monitoring system, and a facility inventory system. This will address only the capital budget system, while keeping future data needs in mind.

## Vision

A capital budget system that provides information and tools necessary to achieve the desired level of support for decision-making for Washington State's capital investments. This includes:

- Supporting business processes to make better decisions with more complete data.
- Supporting the accomplishment of measurable results by providing tools for those doing the work and data for reviewers and policy makers.
- Providing consistency in the data used by agencies, OFM and the legislature.
- Eliminating shadow systems and processes to create a uniform process across stakeholders.

- Reducing effort through electronic creation of documents, eliminating duplicative data entry and providing on-line sharing of data.

## Goal Statement

This charter encompasses work to identify the components of a system and the steps to implement a capital budget system for the 2007-09 first supplemental.

Goals for this biennium's work include:

1. Business Process: Identify an improved, common, sharable business process.
2. System Feasibility Phase: Identify alternatives for a system and select the one that provides the most benefit to Washington State. This could be replacement or enhancement of current systems.
3. Design and Construction: Design and construct alternative chosen in the System Feasibility Phase.
4. Implementation: Implement the system.

## Objectives

The Capital Systems Improvement project will provide:

- A functioning capital budget system that provides tools for analysis and decision-making.
- A system that helps agencies to comply with the OFM budget instructions.
- A system that allows data transfer and sharing to agency, OFM, the legislature, and the Department of General Administration.
- Flexibility to interface with a future facility inventory system, monitoring system, operating budget systems, activity, and performance measure systems.
- A system that reduces or eliminates the re-keying of information.
- The ability for budget officers to collect data from others outside the budget offices.
- A system that follows the DIS Accessibility Guidelines for access by individuals with disabilities.
- A system that aids in the identification and tracking of capital FTEs.

## Scope

In Scope:

- The functions of:
  - Developing a ten-year capital plan (capital budget)
  - Providing necessary data for each project and sub-project for making budget decisions
  - Providing budget information that supports the priorities of government and measurement of success.
- Replacing or enhancing existing systems:

- Capital Budget System (CBS) for agencies
- Buildsum for OFM
- Consultation with LEAP to provide information regarding their system

Out of Scope:

- Monitoring and evaluating capital project progress
- Managing facility information data
- Tracking estimates and actual costs of a capital project
- Buildsum for the legislature

## Schedule

- Project Initiation – April 2006
- Project Kickoff – June 14, 2006
- Requirements definition – June 30, 2006
- GAP Analysis – July 7, 2006
- Conceptual Solution – August 14, 2006
- Project Planning (scope, resources, schedule, high level design) – August 30, 2006
- System development begins – September 1, 2006
- First phase implementation – Spring 2007
- Final phase implementation – Fall 2007

Project start date: April 2006

### Phase I Construction

Milestone- TBD

Milestone- TBD

Milestone- TBD

### Phase II Construction

Milestone- TBD

Milestone- TBD

Milestone- TBD

Project end date: December 2007

## Cost Projection

The total estimated cost of the project.

### Feasibility Phase Costs

Includes staffing of:

- 1 Sr Project Manager at 30%

- 1 Project Manager at 70%
- 1 Lead Business Analyst at 50%
- 1 Product Manager at 30%
- 1 contract developer 50% in July and 100% in August

	<b>June</b>	<b>July</b>	<b>August</b>	<b>Total</b>
FTE	1.8	1.8	1.8	<b>1.8</b>
Salaries	11,435	11,435	11,435	<b>34,305</b>
Benefits	3,838	3,801	3,801	<b>11,440</b>
Contracts	0	8,700	17,400	<b>26,100</b>
<b>Total</b>	<b>15,273</b>	<b>23,936</b>	<b>32,636</b>	<b>71,845</b>

Balance for system planning and development is \$428,155.

	Development Costs	Maintenance Costs
Phase I		
Hardware		
Software		
Labor and Benefits		
Admin		
Training		
Other		
Subtotal Phase I		
Phase II		
Hardware		
Software		
Labor and Benefits		
Admin		
Training		
Other		
Subtotal Phase II		

## Project Organization

### **Executive Sponsor** - Candace Espeseth ***Management***

- Advises the Project Sponsor of relevant OFM or external issues, which may have an impact on the project
- Provides strategic direction
- Communicates project status to OFM Management Team

- Identifies project Advisory Committee members

***Project***

- Champions the project
- Reviews and approves major deliverables
- Reviews project progress on a regular basis
- Encourages stakeholder involvement and builds and maintains their ongoing commitment through effective communication strategies

***Prioritizing***

- Makes major project decisions, especially when there are differences of opinion amongst Advisory Committee members

***Issues***

- Acts as an arbiter in conflict situations
- Removes business-related roadblocks for the project team
- Chairs the Advisory Committee

**Executive Advisory Committee** - Candace Espeseth (OFM - Chair)

Candace Espeseth and Lynne McGuire are evaluating members of the Executive Advisory Committee.

- Provides strategic advice on prioritization and risk as system plans, project development, and implementation proceeds.

**Project Sponsor** - Lynne McGuire

***Management***

- Provides direction and guidance for key business strategies and initiatives
- Link between the project team and top management
- Works with the Executive Sponsor to remove political roadblocks and other obstructions from the project team
- Works through the Project Manager to express project or management concerns to the project team
- Advises the Project Manager of any changes in business direction or policy, which may have an effect on the project
- Advises the Project Manager of protocols, political issues, potential sensitivities, etc.
- Fosters teamwork
- Assists in identifying project critical success factors
- Looks to the project manager for timely and accurate status and is rarely involved in the day-to-day management of the project's progress
- Supports the Project Manager in conflict resolution
- Reviews project progress on a regular basis
- Assists with the resolution of inter-project boundary issues

***Project***

- Encourages stakeholder involvement and builds and maintains their ongoing commitment through effective communication strategies
- Gains consensus among stakeholders when differences of opinion occur
- Actively participates in initial project planning
- Assists in identifying and quantifying business benefits to be achieved by successful implementation of the project
- Champions the projects business case
- Approves major deliverables such as the Project Charter, Project Plan and Risk Management Plan
- Reviews and approves changes to plans, priorities, deliverables, schedule, etc.
- Evaluates the project's success on completion.

#### ***Prioritization***

- In coordination with the Executive Sponsor, and with advice from the planning team, provides final decisions on requirements prioritization and significant project trade-offs.

#### **OFM Capital Budget Staff** – Tom Saelid, et al.

##### ***Project***

- Validates project plans and project impacts
- Participates in prioritization of project requirements
- Aids in communication and stakeholder management
- Liaison to legislative staff

#### **Budget Officers**

##### ***Project***

- Validates project plans and project impacts
- Limited to two agency budget representatives per meeting

#### **Customer group**

##### ***Project***

- Validates requirements, functionality, usability, and quality
- Focus only on allotment management business functions
- Participation is open to all agency budget staff, agency quality consultants, OFM budget analysts and other OFM and agency system users

#### **OFM IS Manager** – Dan Cole

##### ***Project***

- Validates project plans and project impacts on existing systems
- Coordinate resources as needed to ensure adequate participation
- Represents the needs of the existing systems in project analysis and planning.

#### **Program Manager** – Megan Pilon



***Management***

- Ensures project is in alignment with the strategic vision of the Budget and Allotment Support Systems
- Help secure project resources
- Provide guidance on project management processes
- Consult with project manager to assist in overcoming obstacles and barriers
- Stays informed of project progress for management reporting
- May assist with project management tasks if project manager is not available

**Project Manager** – Vicki Rummig

***Management***

- Performs a key communication role with Capital team, Project Sponsor, Executive Sponsor, and Executive Advisory Committee
- Manages resource allocation
- Coordinates the team's daily activities
- Drives critical decisions
- Drives risk management process

***Project***

- Oversees planning and analysis process
- Oversees the functional specification development
- Oversees the design process
- Implements change control which includes requirements, functional specifications, design documents, and report specifications
- Creates, manages and monitors the master schedule
- Tracks project progress and manages status reporting
- Ensures the delivery of a quality product

**Lead Business Analyst** (member of Product Management Group) – Debbie Hoxit

***Project***

- Establishes and maintains business case for product
- Develops the vision statement
- Ensures that the entire business process is represented
- Understands how project/system is integrated with the complete business process
- Looks for ways to maximize product features and capacity for the available resources
- Strives to improve business processes before a system solution is designed
- Ensures the delivery of a quality product
- Assists in design development

***Communications***

- Manages communications with all affected stakeholders, i.e. agency budget officers, customer groups and OFM budget analysts
- Ensures business expectations are articulated and understood by the project team
- Communicates both business and user requirements to the team

#### ***Requirements***

- Performs business and system analysis (what does the current systems do and what should the system do in the future)
- Gathers and prioritizes business requirements
- Writes the system and functional requirements with input from other team leaders

#### ***Prioritizing***

- Ensures that the needs of all customers are met by product
- Prioritizes features and exception fixes

#### ***Testing and Stabilization***

- Reviews test plans and test cases
- Participates in usability testing

### **Product Manager (BASS User Representatives) – Art Overman, TBD**

#### ***Project***

- Ensures the delivery of a quality product
- Assists in design development

#### ***Communications***

- Ensures business expectations are articulated and understood by the project team
- Communicates both business and user requirements to the team

#### ***Prioritizing***

- Ensures that the needs of all customers are met by product
- Prioritizes features and exception fixes

#### ***Testing and Stabilization***

- Reviews test plans and test cases
- Participates in usability testing

#### ***User Education and Training***

- Organizes and conducts demonstrations to customer groups (OFM and Agency users)
- Develops user aids such as quick reference and tutorials
- Creates training plan
- Develops training materials
- Conducts training

### **Lead Developer - TBD**

#### ***Management***

- Provides regular development status to the Project Manager
- Acquires and maintains development human resources

#### ***Project***

- Develops and maintains development schedule
- Ensures the delivery of a quality product

**Technical**

- Provides direction/guidance during technical design
- Builds a solution which meets the system and functional specifications
- Provides frequent builds

**Roles and Responsibilities**

- Coordinates development effort
- Works in concert with product manager, process owner representative, and project developers to understand business, system, and functional requirements

**Communication**

- Facilitates communication between product manager, process owner representative, and project developers

**Developer - TBD**

**Management**

- Works with lead developer to build proof of concept prototypes
- Provides lead developer with design and construction estimates

**Project**

- Participates actively in the creation and review of the system and functional specifications
- Works with Testers and Product Managers to ensure a quality product
- Develops plans for rollout, installation, and support for the operational system
- Ensures the delivery of a quality product

**Technical**

- Produces clear and complete design documentation prior to product construction
- Develops and builds the product
- Develops logical software and documentation version control strategy
- Addresses and fixes exceptions in a timely manner

**Testing and Stabilization**

- Reviews testing plans and test cases

**Communication**

- Communicates problems with business, system, functional requirement to product manager and Lead developer
- Communicates with product manager when additional knowledge or clarification is needed for business, system, functional requirement understanding

**Lead Tester/QA – John Lindberg**

**Management**

- Provides regular testing status to the Project Manager
- Acquires and maintains testing human resources

**Project**

- Develops and maintains testing schedule
- Ensures the product is production ready
- Ensures delivery of a quality product
- Works with Developers and Product Managers to ensure a quality product

**Communication**

- Provides direction and guidance during test case development and execution
- Provides team with the previous workday's issues report during the daily stand-up
- Facilitates communication between product manager, process owner representative, and project testers
- Communicates problems with business, system, functional requirement to product manager
- Communicates with product manager when additional knowledge or clarification is needed for business, system, functional requirement understanding

**Roles and Responsibilities**

- Coordinates testing effort

**Tester/QA - TBD****Management**

- Provides lead tester with estimates for developing test cases, data, and test execution

**Project**

- Works with Developers and Product Managers to ensure a quality product
- Ensures the system complies with system and functional specifications
- Ensures the product is production ready
- Ensures the delivery of a quality product

**Communication**

- Communicates issues to the team
- Communicates problems with business, system, functional requirement to product manager and Lead Tester
- Communicates with product manager when additional knowledge or clarification is needed for business, system, functional requirement understanding

**Testing and Stabilization**

- Prepares test plan and cases
- Provides test cases frequently for review
- Tracks exceptions
- Analyzes exception statistics

**Data Analyst – TBD**

**Project**

- Ensures the delivery of a quality product

**Technical**

- Provides data dictionary
- Provides logical model of the data

**Database Administrator – TBD****Project**

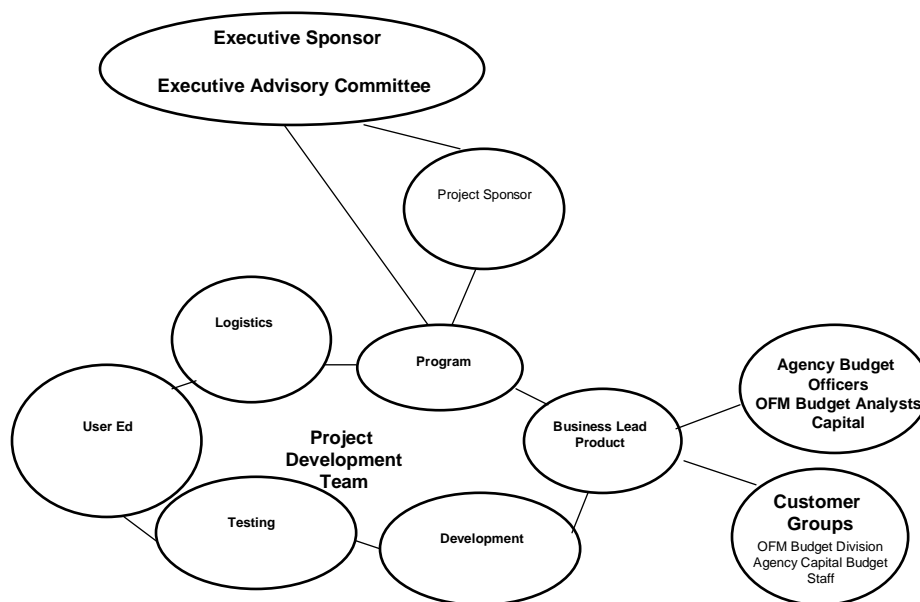
- Ensures the delivery of a quality product

**Technical**

- Updates database as needed
- Identifies technical issues with data model and provides consultation to the team

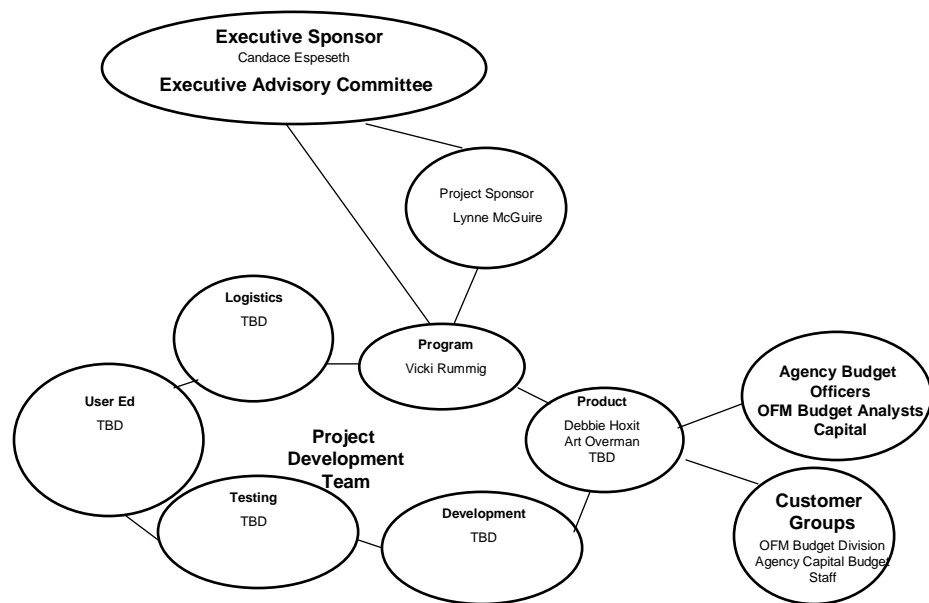
## Governances

Describes the oversight committees, jurisdictional management groups and any other required approvals



## Team Composition

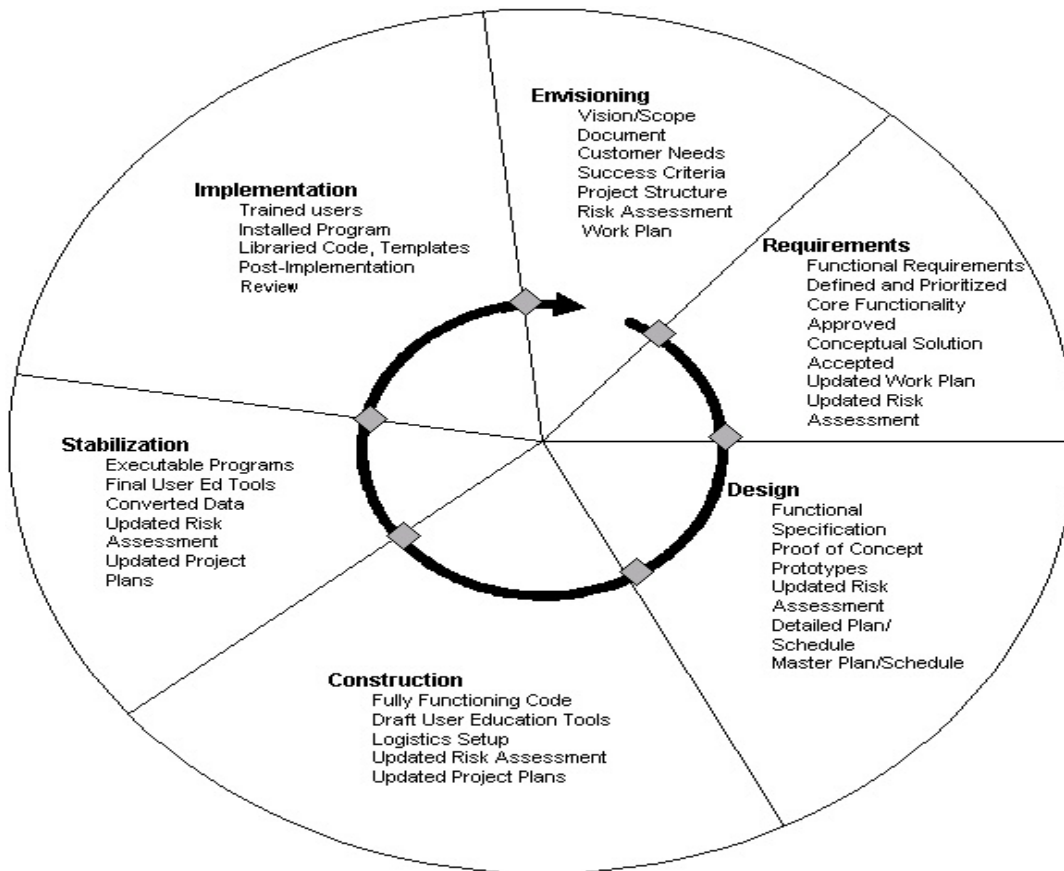
Org chart or matrix identifying all human resources allocated to the project, their reporting relationships and percentage of time allocated to the project



## Approach

Description of how the project will accomplish its goals

The team will follow an incremental development approach by building core functionality first (highest priority), and providing subsequent functionality in future releases using the Microsoft Solutions Framework as a guide.



## Team Composition

**Project Management Oversight** – Megan Pilon 30%

**Project Manager:** Vicki Rummig – 70%

**Lead Business Analyst:** Debbie Hoxit – 50%

**BASS Product Manager:** Art Overman 30% throughout project– **Additional Product Management:** TBD

**Programmers:** TBD

**Testers:** TBD

## Approach

### Business Process:

- Identify the current state and the desired or “could be” state through agency interviews and discussion, includes discussion and analysis with OFM and the legislative staff.
- Identify gaps in information between what is available today versus what is needed.
- Document the gaps between the current process versus “could-be” process.
- Develop a conceptual design

### **System Feasibility Phase:**

- Evaluation of gaps with current functionality of CBS and Buildsum.
- Confirm which of the identified gaps need to be addressed with a system solution
- Determine whether and how existing systems should be modified or whether a new budget system is required to close these gaps
- Develop a work plan, schedule, and budget for agreed to capital systems improvements.

### **Design and Construction:**

- Determined after decision on system feasibility.
- Communication and approval from stakeholders

### **Implementation:**

- System roll-out
- User guides
- System training

## **Assumptions and Constraints**

### **Assumptions:**

- Project will not impact other critical projects being developed, at this time.
- Key staff will be available during critical decision points.
- Information will be available to make informed decisions.
- The system will accommodate interfaces with systems that are internal and external to OFM.
- Team can be on board quickly.

### **Constraints:**

- \$500,000 budget
- Limited resources

## **Funding Resource**

This project is funded through an increase in the BASS rates to be implemented in July 2006 through June 2007. Funding was added to agency budgets.



## Performance Measures/Outcomes

- Reduction in manual processes, and the time spent on them, throughout the capital budget development process.
- Reduction in follow-up questions and requests to clarify project proposals after the budget submittal.
- A system that provides functionality to support business needs when required.
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## Risk Analysis

<b>Risk</b>	<b>Mitigation</b>	<b>Assigned to:</b>
Not enough resources to complete the project	<ul style="list-style-type: none"> <li>• Manage project scope and expectations to align with available resources.</li> <li>• Evaluate need to request additional resources once desired scope, schedule, and budget are defined</li> </ul>	Vicki Rummig
Regular budget development process impacts resources identified for team	<ul style="list-style-type: none"> <li>• Careful allocation of staff time to align with probable availability</li> </ul>	Vicki Rummig
Not capturing all the necessary data needed for decision-making	Work closely with stakeholders	Debbie Hoxit
Data base changes may impact other systems, i.e. TALS, BudRpts, BudPub	Identify the data elements needed for the other systems.	
Business changes requested that cannot be addressed in time allotted.	1) Complete business process analysis and changes prior to conceptual solutions 2) Educate decision makers on impact of business process decision to systems development.	

Contract developer not using OFM system architecture standards	<ul style="list-style-type: none"> <li>• Educate contract developer on OFM development standards</li> <li>• Provide for peer design and code review from OFM staff to ensure consistency with OFM architecture standards</li> </ul>	Vicki Rummig

## Plan for the Next Phase

Describe the plan for next phase. Usually this will be the project planning phase. Identify tasks, assignments, schedules and deliverables necessary to create the project plan. This plan is not the project plan itself, but a listing of the project plan deliverables and a description of how those deliverables will be created.

In order to provide the best chance for project success, the project management of the capital project will employ the best practices of the Project Management Body of Knowledge (PMBOK), Third Edition, the Office of Financial Management Project Management Processes, and Department of Information Services Project Management Framework.

A comprehensive Project Plan will be developed to include planning for the following list of items based on the conceptual solution chosen. It is important to note that some items may be combined or provided in an informal format.

- Configuration Management
  - Scope definition via a team developed Work Breakdown Structure
  - Systems integration
  - Change management
- Communications
  - Stakeholder identification
  - Communications matrix
- Resources
- Schedule
- Risk
- Quality
- Post Implementation

It will be the role of the project manager to ensure that the plans are adequately developed, executed, replanned as needed, and controlled to ensure project processes lead to project success and product acceptance.

## Expected Impact to the OFM IT Environment

Identify impacts to the OFM IT Environment including changes required to current Human Resources, Policies and Procedures, Technology, or Business Relationships. See Appendix A for details.

Other Systems Impacted by Capital System Changes:

- BudRpts
- BudPub
- TALS
- BillBuild
- CAPMON
- Execmon
- Winsum – data transfer
- Ad hoc reporting
- LEAP systems

Capital systems

- C100
- CBS
- Buildsum

Non-System Impacts

- Capital Budget Instructions
- Capital Allotment Instructions
- RCW & WAC

- **Acceptance**

Unanimous approval by Key Stakeholders for the final charter document:

We, the undersigned project members, have reviewed this document and approve its contents:

<b>Name and Title</b>	<b>Signature</b>	<b>Date</b>
Lynne McGuire		
Debbie Hoxit		
Megan Pilon		
Vicki Rummig		
Art Overman		

## Appendix A:

### Expected Impact to the OFM IT Environment

Identify impacts to the OFM IT Environment including changes required to current Human Resources, Policies and Procedures, Technology, or Business Relationships.

#### a. Impact to the OFM IT Architecture

This project will be compliant with the current OFM IT architecture.

#### b. Impact to the OFM IT Infrastructure

Network Environment (Will this project require changes to the current OFM network environment? This could include new locations, servers, software, or services not currently operational.

End User Environment - will this project require changes to OFM end user hardware or software standards.

System Interface or Data Sharing – (If this project requires a system interface or data sharing with an entity outside of OFM explain the details (e.g. what data will be exchanged, how will the interface be constructed, what data transfer methods will be used?))

#### c. Impact to the OFM IT Security

- i. Availability – What are the availability requirements for this project? This should include an explanation of disaster recover, data backup, acceptable outage times, and customer expectations.
- ii. Integrity – If this project deals with “data” then explain how the integrity of that data will be managed.
- iii. Confidentiality - What is the data security classification for the data touched by this project? (e.g. Public, Confidential, or Requiring Special Handling) If classification is “Requiring Special Handling”, provide a detailed explanation.
- iv. Capacity – (What are the requirements for storage, bandwidth, etc. of this project)

- v. Access Control – If this project deals with “data” explain how access control will work. This should include explanations for user identification, user authentication, user authorization, and any require access controls for folders or shares.

d. **Legal, Policy, Procedure Implications**

Agreements & Contracts – (Will this project require agreements or contracts of any kind? This includes data sharing, data interface, or service level agreements between OFM and any other entity. It also includes any vendor contracts OFM must sign.)

OFM Policy Review – (Will this project impact current OFM IT Policy or require new policy development?)

OFM Procedure Review – (Will this project require any changes to OFM IT (ISD or SWFS) operational procedures?)

e. **Subject Matter Expert Impact Reviews**

(Explain the whether there is or is not a need to review this project with the OFM IT Architect, ISD Senior Engineer, and IT Security Administrator.)